Report of the Committee on Stock Exchange Reforms

766. SHRI MUKHTIAR SINGH MALIK:
SHRI SHANKER SINH VAGHELA:

Will the Minister of FINANCE be pleased to state:

(a) whether a high power committee on Stock Exchange Reforms has suggested that 50 pe rcent of the total funds raised by the public limited companies from the capital market should be in the form of fresh equity;

(b) if so, what are the other recommendations made by the Committee; and

(c) whether the report has since been examined by Government; if so, what is the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Yes, Sir.

(b) and (c) Other main recommendations made by the Committee are given below:

(i) rationalisation of rates of underwriting commission, brokerage and managing brokers remuneration;

(ii) inviting applications for securities from the public for a minimum amount of Rs. 1000 (100 shares of Rs. 10 each or 10 shares/debentures of Rs. 100 each) with a minimum allotment of 100 shares of Rs. 10 each or 10 shares/debentures of Rs. 100 each;

(iii) reduction in the minimum number of days for keeping open the subscription to public offer of securities from three days to two days;

(iv) raising the minimum requirement of paid-up equity capital for eligibility for listing of a company on a stock exchange to Rs. 50 lakhs from the level of Rs. 20 lakhs;

(v) laying down the Code of Conduct for members of Stock Exchanges and their clients;

(vi) creation of Customers Protection Fund in Stock Exchanges;

(vii) providing insurance cover for members of Stock Exchanges;

(viii) adoption of uniform model for organisation of Stock Exchanges;

(ix) broad-basing the Governing Bodies of Stock Exchanges;

(x) establishment of an apex body called the Council for Securities Industry;

(xi) increase in the Membership of Stock Exchanges.

Many of these recommendations have been accepted and suitable instructions have been issued to Stock Exchanges for implementation of the decisions with which they are concerned.

Review of Fera

767. SHRI RAMKRISHNA MAZUMDER: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under Government's consideration to review the Foreign Exchange Regulations Act; and

(b) if so, what are the specific proposals under consideration of Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) Government of India have received some suggestions for amending the Foreign Exchange Regulation Act, 1973 and these are being examined.